

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.) THURSDAY, THE 15th DAY
)
JUSTICE CUMMING) OF JUNE, 2006

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985 c. C-36 as amended

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR
ARRANGEMENT WITH RESPECT TO CERVUS FINANCIAL GROUP INC.,
AND THE OTHER APPLICANTS LISTED ON SCHEDULE "A"

Applicants

ORDER AMENDING INITIAL ORDER

THIS MOTION, made by the Applicants, was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the Initial Order and on hearing the submissions of counsel for the Applicants, the Monitor, Macquarie Bank Limited, Merrill Lynch Canada Inc., Cybernorth Ventures Inc. and on being advised that Royal Bank of Canada ("RBC") consents to this Order,

1. **THIS COURT ORDERS** that service of a notice of motion to amend the Initial Order as provided for herein upon any party is hereby dispensed with.
2. **THIS COURT ORDERS** that paragraph 38 of the Initial Order is deleted in its entirety and replaced with the following:

"38. **THIS COURT ORDERS** that in addition to all existing security held by RBC (which shall be deemed to secure, among other things, all obligations under the Warehouse DIP Facility), all of the Property of the Applicants, but not the Merrill Assets, including, without limitation, all

Property defined as the "Inventory Mortgages" in the Warehouse DIP Loan Agreement and any other mortgages financed by Borrowings thereunder (as defined therein) and all proceeds of any of the foregoing (such Inventory Mortgages and any other mortgages so financed by Borrowings and proceeds thereof being collectively referred to in this Order as the "RBC Collateral") is hereby charged by a lien, mortgage, hypothec and security interest (such lien, mortgage, hypothec and security interest, together with any lien, mortgage, hypothec or security interest created by the Warehouse DIP Documents, (the "Warehouse DIP Charge") in favour of RBC as security for all obligations of the Applicants to RBC with respect to all amounts owing under or in connection with the Warehouse DIP Documents."

June 15, 2006 Peter A. Cumming J.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JUN 15 2006

PER/PAR:



SCHEDULE "A"

Cervus Financial Corp.

Cervus Funding Corp.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985 c. c-36 as amended

Court File No.: 06-CL-6482

**AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO CERVUS
FINANCIAL GROUP INC., et. al.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding Commenced at Toronto

ORDER

FRASER MILNER CASGRAIN LLP
1 First Canadian Place
100 King Street West
Toronto, Ontario M5X 1B2

Daniel Dowdall
LSUC # 16737D
Tel: 416-863-4700
Fax: 416-863-4952

Solicitors for the Applicants